

Getting your edge priorities right

Define your goals and zero in on the edge-based innovation you need to drive your business forward.



As society looks beyond the pandemic, savvy enterprises are pulling out whiteboards and brainstorming ways they can seize emerging opportunities. They're thinking about what needs to change in their organizations to capture these opportunities and what role edge technologies can play.

There's plenty to consider. Teams can easily become paralyzed by choice. What's needed is a model that aids prioritization, balancing tradeoffs of the options available and their potential benefits and the opportunity costs of paths not taken.

How do you architect technology platforms to digitize the physical world and project the experience into the digital world with customer-centric strategies? This requires anticipating the customer experience and an operating model that covers the customer journey all the way back to cloud ecosystems.

To best take advantage of the digital edge, start by doing three basic things: Understand your business goals, choose technologies that serve those goals, and move to an operating model that connects the two.

Where business happens

There are many definitions of the edge—so many, in fact, that we dedicated an article to it. From a technical perspective, it's the process of bringing data and computational power to the locations they're needed to deliver the best decision-making capacity for a given use case. But from a broader perspective, the edge is where business—and life—happens. It's the point of value exchange, where IT starts to meet the customer experience.

Finding those points of value exchange requires a model that applies to all kinds of use cases. The model needs to address situations where digital engagement not only targets emerging growth opportunities but also helps a business recover from a series of bad quarters.

A common language for transformation

How does edge-based innovation or protecting the business by improving customer experience translate into a technology strategy? First and foremost, the entire organization needs to "get it." There is a moment when the value of the idea makes perfect sense to everyone, can be visualized, and can then be realized.

Using a model can help provide the language of <u>digital transformation</u>, a common framework on which to hang your organization's strategy and priorities. Figure 1 outlines a model that has helped a diverse range of digital transformation engagements globally. What the model does, at its basic, is help teams prioritize activities to orchestrate the teams' digital ambitions.

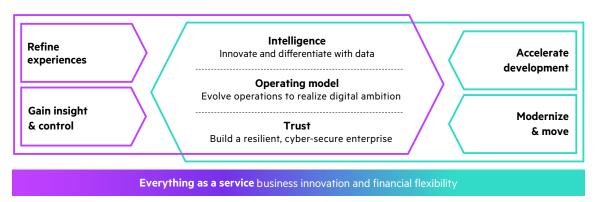


Figure 1. Common enablers for digital transformation

Blending a "human edge" (digital engagement focusing on people) with a "physical edge" (controlling physical spaces through data and automation) creates a "digital edge" that channels experiences contextually distinct to each company. Still, organizations won't get far without integrating a critical set of enablers: intelligence, an underlying foundation of trust that maintains integrity of data and transactions, and an operating model that delivers speed and adaptability.

Let's look at each of these in turn:

- Data is just data without intelligence, which is generated by implementing advanced techniques to capture, consume, and process the raw material into strategic insights.
- A successful trust model uses technology to secure physical assets, establish compliance, and govern brand perceptions inside and outside the company.
- A digitally enabled operating model rethinks how value is created by using digital technologies. It forces you to look at processes, the value chain, who's doing what, and how you're providing your value to your customer. It up-levels the perception of technology inside of organizations and enhances management systems to help drive better, faster, more reliable value creation.

Companies need to evaluate their digital transformation initiatives in terms of how well they help meet underlying business goals. These goals fall into four categories: driving revenues and productivity, improving business efficiency, speeding time to market, and optimizing costs and increasing agility.

Generating more data from this physical edge—from a set of sensors or a camera feed tracking consumers, for example—won't be beneficial if you can't derive digital insights. Can those insights help you apply new levels of control to your physical spaces or assets? Think about how fans in stadiums are encountering very different experiences than fans outside of stadiums. If we have all the data about where those fans are physically in relation to the services the venue offers, we can start to enrich that digital experience for everyone, even those outside the stadium.

And don't ignore the digital ecosystem as a whole. The ecosystem is a set of partners securing the digital initiative. There are actually two ecosystems of partners: the internal one that builds your value proposition and delivers it, and another that's external to you and part of a bigger system.

Organizations are as individual as the customer

While using a common framework to help focus and orchestrate strategy is a valuable starting point, the nature of ideation, and discussion sparked by the framework, is how each organization can bring the concepts to life in the context of its unique circumstances.

A number of organizational interactions—think of them as moments—can help set the right focus and tone for a digital transformation journey mapping exercise:

- **Activate:** Framing and communicating your digital transformation ambitions across your stakeholders. This is the ability to easily communicate and visualize what your digital agenda is all about. Aligning behind this common model to articulate your own journey is immensely powerful.
- **Align:** Gaining an understanding of how to sequence and orchestrate your digital transformation initiatives. How do you see a clear path to value without dropping any of the many spinning plates you've been balancing during the transformation process? By isolating the common enablers for an initiative, it's easy to start to de-risk the path to value by connecting initiatives together and avoiding duplication.
- Advance: Rapidly identifying a differentiated value proposition that can be delivered with technology. This is the time to create a minimum value proposition to attract investment in a uniquely new customer experience.
- Accelerate: Getting from idea to benefit realization as quickly as possible. Even if you can see the path forward and it's unique, how do you establish a minimum viable architecture to test the idea? What are the key building blocks? Stop spinning up lengthy and costly proofs of value—get to a minimum viable product with the minimal number of steps.



Takeaway

The edge is where you create new value. It is where digital ambition meets digital realization. Many enterprises that were undertaking digital transformation strategies pre-pandemic are now speeding them up in response. Each company will be looking at how to adjust its own digital edge to try to align projects that help it achieve its business goals.

To carry out your organization's digital agenda, you need to not only prioritize the right initiatives but also scale those ideas to fit the constructs of the company's business plans. Moving more rapidly through proof of concept and proof of value to realization is better achieved through the use of a holistic model that steers companies to the right decisions, while extending the ecosystem from edge to cloud, across the transformation landscape.

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